



# ILLINOIS SECURE CHOICE SAVINGS PROGRAM

*Know the key facts of this state-sponsored retirement program*

## ILLINOIS SECURE CHOICE SAVINGS PROGRAM

Illinois state law requires that all employers with over five employees who have been in business for at least two years and do not offer a 401(k) or other qualified retirement plan option must automatically enroll employees in the state's program: the Illinois Secure Choice. Let's take a look at the details.



### How does it work?

The program auto-enrolls all Illinois employees 18 years or older, full-time or part-time, into a Roth IRA. Unless employees opt-out, they will automatically contribute 5% of their gross wages into the plan. The plan has several limitations, including an annual contribution maximum of \$6,500 (\$7,500 for those 50 or older), and no loans or employer contributions are allowed. In addition, participants earning over \$153,000/year cannot participate.

If the employer maintains a qualified retirement program already, the employer is exempt from this program. If employers do not already have a plan in place, they must enroll in Illinois Secure Choice and submit information on every eligible employee.

Deadlines for employers with more than 15 employees have passed, but employers with 5-15 employees must enroll by November 1, 2023. If employers don't comply, they will face financial penalties beginning in 2023.



### EGPS HAS BETTER OPTIONS

Due to the administrative burden and penalties associated with this program, employers may be interested in seeking other options. Now is a great time for employers to look at setting up their own retirement plans. At EGPS, we specialize in helping find the perfect retirement plan solution for our clients. We're available and ready to guide employers to the best option that fits their organization's needs.